

FLA Audit Profile	
Country	India
Name of Factory	070232631F
Independent External Monitoring	International Resources For Fairer Trade
Date(s) in Facility	July 19 & 20, 2007
FLA Affiliated Compan(ies)	Nike, Inc. & Puma AG
Number of Workers	961
Product(s)	Sports Shoes
Production Processes	Cutting and Stitching

FLA Code/Benchmark	Compliance Status	Describe noncompliance, risk of noncompliance or uncorroborated evidence of noncompliance	List sources/documentation used for reference and corroborating evidence (e.g. worker interviews, factory walkthrough, records review, etc.)	Cite and describe local and/or country laws used for additional reference	Describe notable features implemented by factory management or Company
1. Code Awareness					
GEN 2: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	Risk of noncompliance	Code is posted on the notice board on the shop floor, which is communicated to the workers by way of displaying it. However some of the new workers interviewed were not aware of the Code.	Walkthrough, worker interviews		
2. Forced Labor					
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.					
F.9 Employment Records	Noncompliance	No confirmation letters, wage slip not issued, time in and out records not	Workers interview, record review	Factories Act 1948	
F.15 Personal Worker Identification and Other Documents	Noncompliance	No identity cards are issued to employees, except for the time in and out swipe card, which is also not issued to all the employees.	Worker interviews		
3. Child Labor					
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.					
4. Harassment or Abuse					
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.					
H&A.6 Discipline/Worker Awareness and Participation of Workers	Noncompliance	The facility has a Code of Conduct entitled 'Philosophy of Management' displayed on the shop floor, in both English and Hindi (the language understood by the workers). The facility has workers committee to address their grievances, but some of the workers we spoke to are not aware of the existence	Walkthrough, records review		
H&A.11 Discipline/Verbal Abuse	Noncompliance	The supervisor was found abusing the workers on production floor (stitching area) right in front of the monitors during	Walkthrough		
5. Non-Discrimination					

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No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.					
D.3 Recruitment and Employment Practices (Job Advertisements, Job Descriptions and Evaluation Policies)	Risk of noncompliance	The Broad Employment Policy mentions the category of workers, casual workers, application and age proof, working time with lunch/tea breaks, weekly holiday, overtime, leave with pay, attendance and wage payment, but nothing about termination/retrenchment.	Worker interviews, records review		During the audit it was observed that there was a likely representation of the minority section of eunuchs/trans-genders on the production floor. This is a notable feature as this section of people are hardly represented in the employment group.
6. Health and Safety					
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities.					
H&S.9 Evacuation Requirements and Procedure	Noncompliance	Found blocked aisles in stores. The fire exit staircase for stores is dangerous and needs to be changed. It is not a regular staircase but a ladder with width of about 5 inches per step. There is a risk of falling at the time of emergency and otherwise as well. No evacuation drills, fire safety or use of fire extinguishers training provided to the workers from stores as observed by worker interview. Access was blocked for one fire extinguisher. Some of the fire extinguishers had surpassed the expiration date and an attempt was made to change the dates during the 2 days that the monitors were present in the factory. No records were made available during the audit on any assessment conducted in the factory to identify ESH	Walkthrough	Factories Act 1948	
H&S.13 Chemical Management and Training	Noncompliance	Diesel barrels storage inadequate. There is no secondary containment to catch spillage. MSDS are not posted at the storage area. The workers working in the boiler area especially are not provided with the required PPEs. The labels are in English and not in Hindi (the language understood by majority of workers).	Walkthrough	Factories Act 1948	
H&S.17 Ventilation/Electrical/Facility Installation and Maintenance	Noncompliance	Proper ventilation is required on 1st floor of the stores department. There is no cross ventilation due to the design. Moreover, the fans are few and there is no wind flow, making the floor extremely	Walkthrough	Factories Act 1948	

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H&S.20 Bodily Strain	Risk of noncompliance	Sitting position not easy. Stools without back rest, bin between the feet, makes sitting uncomfortable and may lead to body strain.	Worker interviews, walkthrough	Section 44, sub section (2) of Factories Act 1948 states: "If, in the opinion of the Chief Inspector, the workers in any factory engaged in a particular manufacturing process or working in a particular room are able to do their work efficiently in a sitting position, he may, by order in writing require the occupier of the factory to provide before a specified date such seating arrangements as may be practicable for all workers so engaged or working."	
7. Freedom of Association and Collective Bargaining					
Employers will recognize and respect the right of employees to freedom of association and collective					
FOA.1 General Compliance Freedom of Association	Noncompliance	The management reported existence of committees for grievances redressed. However some of the workers interviewed were not aware of such committees	Workers interview, management interview		
8. Hours of Work					
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture					
HOW.1 General Compliance Hours of Work	Noncompliance	No swipe cards to some of the workers	Worker interview, records review	Factories Act 1948	
HOW.2 Rest Day	Noncompliance	Multiple set of attendance records were found. The workers' attendance register, which is maintained manually showed Sunday working. There was another evidence of Sunday working in the broken needle register as well. However, management claimed that they did not work on Sunday. It is difficult to conclude whether overtime exceeded 12 hours in a week, as the records were not matching with each other. But obviously the workers were not paid at double the rate for Sunday working nor they were given an alternative day off as required by law. The facility observes Sunday as their	Worker interviews, records review	Factories Act 1948	

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HOW.6 Time Recording System	Noncompliance	The time record maintained is not authentic and accurate. In-time of workers as recorded by security guards, did not match with the swipe card timings. The mismatch was more than 2.5 hrs. In another case though workers were shown as present as per the manual time keeping system, they were shown as absent in swipe card. We found instances where the security guards had recorded arrival time of some workers which differed from the time recorded for the same worker under the punch card system and the difference was more than 2 hrs. We can infer that as the time records were not properly	Record review	Factories Act 1948	
9. Wages, Benefits and Overtime Compensation					
WAGES AND BENEFITS: Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits. OVERTIME COMPENSATION: In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly					
WBOT.10 Premium/Overtime Compensation	Noncompliance	During the worker interviews, it is observed that they are aware that overtime payment is paid double, but they are not aware of the system of hours calculated. While reviewing the records multiple time records were found, which were not matching with each other. In some cases, out time was not recorded. Hour records were maintained electronically and manually as well. Also some of the workers were not issued the	Worker interviews, record review	Factories Act 1948	
WBOT.21 Record Maintenance	Noncompliance	Time record maintained is inadequate, some workers do not have swipe cards.	Workers interview, record review	Factories Act 1948	
WBOT.27 Wage Receipt	Noncompliance	Wage slips are not issued to workers.	Workers interview, record review	Factories Act 1948	
10. Miscellaneous					
Subcontracting, homework and other issues not covered by above benchmarks and code requirements.					